

REXRAILWAYS

14937

RECORDATION NO. Filed 1425

APR 8 1986 - 11 30 AM April 4, 1986

INTERSTATE COMMERCE COMMISSION

Ms. Mildred R. Lee
Interstate Commerce Commission
Room 2303
12th St. & Constitution Ave., N.W.
Washington, D. C. 20423


Date 4/8/86
Fee \$ 10.00
ICC Washington, D.C.

Dear Ms. Lee:

I have enclosed three copies of a Letter Agreement between Rex-Noreco, Inc., Rex Railways, Inc., Citicorp Industrial Credit, Inc., and C&H Railways, Ltd. dated February 6, 1984. I realize that it is not notarized and the original has been misplaced; however, I am certifying in this letter to you that these copies are true and correct copies of the original and would very much appreciate your filing same and returning one stamped copy showing the recordation. A \$10.00 filing fee is enclosed payable to the ICC.

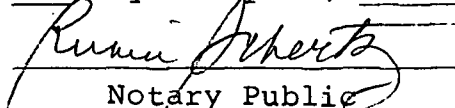
Thank you for your cooperation and wishing you best regards,
I remain,

Most cordially yours,


Mark A. Salitan
President

MAS:jgm
Encl.

Sworn to before me this
4th day of April, 1986.


Notary Public

RUBIN SCHERTZ
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 16, 1987

Interstate Commerce Commission
Washington, D.C. 20423

4/8/86

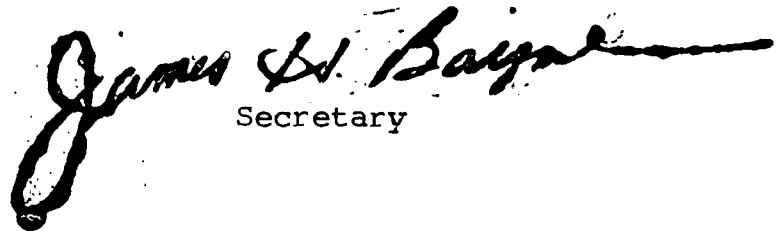
OFFICE OF THE SECRETARY

Mark A. Salitan
President
RexRailways
616 Palisade Avenue
Englewood, Cliffs, N.J. 07632

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/8/86 at 11:30am and assigned re-
recording number(s). 14937

Sincerely yours,


Secretary

Enclosure(s)

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REX-NORECO, INC.
616 Palisade Ave.
Englewood Cliffs, New Jersey 07632

February 6th, 198~~0~~

14937

REGISTRATION NO. _____ Filed 1425

Citicorp Industrial Credit, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528

APR 8 1986 • 11 30 AM

INTERSTATE COMMERCE COMMISSION

October 31, 1979 Mortgage and Guaranty and Agreement

Dear Sirs:

Reference is made to the Mortgage dated as of October 1, 1979, between Citicorp Industrial Credit, Inc. ("CIC"), as Lender and C&H Railways, Ltd. ("C&H"), as Borrower, as amended from time to time (the "Mortgage") and the related Guaranty and Agreement ("Guaranty") of even date therewith among Rex Railways, Inc., Rex-Noreco, Inc. (collectively "Rex") and CIC. Reference is also made to a Security Agreement, Chattel Mortgage and Lease Assignment, each dated as of September 27, 1977, as amended by letter agreements dated August 18, 1980 and November 28, 1980 and amendments dated December 2, 1980 and February 9, 1981 (collectively the "Security Agreement").

The purpose of this letter agreement is to amend and supplement the Guaranty, Mortgage and Security Agreement to accomplish the rearrangement of the collateral and certain rights of the parties relating to such collateral securing the subject financings and to confirm certain arrangements relating to the escrow maintenance fund established pursuant to the Mortgage, all in the manner hereinafter indicated.

1. Collateral. The Mortgage is secured by 100 railcars (the "Mortgage Collateral"). The Security Agreement is separately secured by 299 other railcars (the "Security Collateral").

2. Cross-Collateralization. As of the date hereof the Security Collateral shall serve as additional collateral for the Mortgage for the purposes specified in this Section 2 ("Right of Cross-Collateralization"). In the event Rex shall fail to make any payments due under the Mortgage or payment required to be made into the escrow maintenance fund established pursuant to the Mortgage prior to the expiration of all notice and grace periods applicable to such payments under the terms of the Mortgage and Guarantee (collectively "Payment Default") CIC shall have the right to exercise its Right of Cross-Collateralization at all times during which a Payment Default shall have occurred and be continuing and until such Payment default shall have been cured under the applicable provisions of the Mortgage and Guaranty. This Right of Cross-Collateralization may not be exercised upon the occurrence of any default under the Mortgage or Guaranty other than a Payment Default and this right of Cross-Collateralization shall cease on the date on which Rex shall have paid in full its indebtedness to CIC under the Security Agreement.

3. Re-lease of Mortgage Collateral. Rex shall be free to lease, sub-lease and re-lease the Mortgage Collateral to such parties as Rex in its discretion shall select without any requirement that Rex obtain CIC's consent as a condition to do so dealing with the Mortgage Collateral.

4. CIC Waiver. CIC agrees to waive all past, current and future defaults under the Mortgage and the Guaranty based upon any

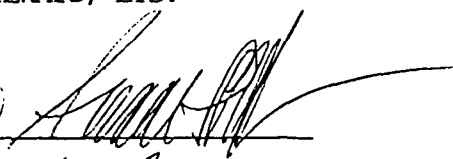
interest, including title, Rex may have now or obtain in the future with respect to the Mortgage Collateral.

The purpose of this letter is to summarize the agreements reached between Rex and CIC at various meetings and in related correspondence regarding the subjects addressed herein in a manner clearly indicating the intent of the parties.

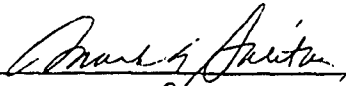
Kindly execute and return to the undersigned the extra copy of this letter enclosed whereupon it shall become a binding agreement between us.

ACKNOWLEDGED, AGREED
AND CONSENTED TO BY BORROWER
UNDER THE MORTGAGE

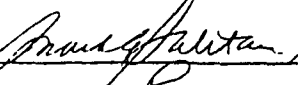
C&H RAILWAYS, LTD.

By (15) 
Title Vice Pres
Date 3/5/84

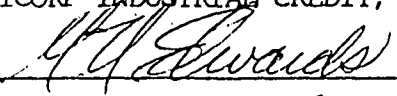
REX-NORECO, INC.

By 
Title Pres

REX-RAILWAYS, INC.

By 
Title Pres.

CITICORP INDUSTRIAL CREDIT, INC.

By  *for*
Title Vice President